

NORTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES

The North Carolina Medical Care Commission
809 Ruggles Drive
Raleigh, North Carolina

MINUTES

CALLED MEETING OF THE EXECUTIVE COMMITTEE
CONFERENCE TELEPHONE MEETING ORIGINATING
FROM THE COMMISSION'S OFFICE
DECEMBER 12, 2016
11:00 A.M.

Members of the Executive Committee Present:

John A. Fagg, M.D., Chairman
Joseph D. Crocker, Vice-Chairman
Charles T. Frock
Charles H. Hauser
Eileen C. Kugler
Carl K. Rust, II, M.D.

Members of the Executive Committee Absent:

Robert E. Schaaf, M.D.

Members of Staff Present:

S. Mark Payne, DHSR Director, MCC Secretary
Christopher B. Taylor, CPA, Assistant Secretary
Alice S. Creech, Executive Assistant

Others Present:

Alice Adams, Robinson Bradshaw & Hinson, P.A.
Andrew Applegate, Arbor Acres
Ken Boyles, Arbor Acres
Tommy Brewer, Ziegler
Steve Cordell, Nexsen Pruet, PLLC
Robert Fritts, Blue Ridge HealthCare System
David Matthews, Arbor Acres
Chris Nordberg, Blue Ridge HealthCare System
Allen Robertson, Robinson Bradshaw & Hinson, P.A.

1. **Purpose of Meeting**

To (a) authorize the sale of bonds, the proceeds of which are to be loaned to Arbor Acres United Methodist Retirement Community, Inc., (b) authorize the execution and delivery of a Second Supplemental Trust Agreement for the 2010 Bonds issued for the benefit of Arbor Acres United Methodist Retirement Community, Inc., and (c) authorize the issuance and sale of bonds, the proceeds of which will be loaned to Blue Ridge HealthCare System, Inc.

2. **Resolution of the North Carolina Medical Care Commission Authorizing the Issuance of \$13,159,000 North Carolina Medical Care Commission Retirement Facilities First Mortgage Revenue Refunding Bonds (Arbor Acres United Methodist Retirement Community), Series 2016.**

Remarks were made by Allen Robertson, Dr. John Fagg, Tommy Brewer, and Ken Boyles.

Executive Committee Action: Motion was made by Ms. Kugler, seconded by Mr. Frock, and unanimously approved with the recusals of Dr. Fagg, Mr. Hauser, and Dr. Rust.

WHEREAS, the North Carolina Medical Care Commission (the "Commission") is a commission of the Department of Health and Human Services of the State of North Carolina and is authorized under Chapter 131A of the General Statutes of North Carolina, as amended (the "Act"), to borrow money and to issue in evidence thereof bonds and notes for the purpose of providing funds to pay all or any part of the cost of financing or refinancing health care facilities (including retirement facilities) and to refund bonds previously issued by the Commission; and

WHEREAS, Arbor Acres United Methodist Retirement Community, Inc. (the "Corporation") is a nonprofit corporation duly incorporated and validly existing under and by virtue of the laws of the State of North Carolina and is a "nonprofit agency" within the meaning of the Act; and

WHEREAS, the Corporation has made application to the Commission for a loan for the purpose of providing funds, together with other available funds, to refund \$14,510,000 of the Medical Care Commission's Health Care Facilities First Mortgage Revenue Refunding Bonds (Arbor Acres United Methodist Retirement Community), Series 2007 (the "Prior Bonds"), which is all of the Prior Bonds maturing after January 1, 2017; and

WHEREAS, the proceeds of the Prior Bonds were used to (1) refund the Commission's Health Care Facilities First Mortgage Revenue Bonds (Arbor Acres United Methodist Retirement Community, Inc. Project) Series 2002 (the "2002 Bonds"), (2) fund a debt service reserve fund and (3) pay costs of issuing the Prior Bonds; and

WHEREAS, the proceeds of the 2002 Bonds were used for the purpose of (1) paying, or reimbursing the Corporation for paying, the costs of constructing and equipping an expansion and renovation of the continuing care retirement community operated by the Corporation, including construction of a 45-unit independent living apartment building, renovation and upgrading of the

health care center, renovation and upgrading of an assisted living building, expansion and renovation of various dining areas, renovation and upgrading of administrative office space and replacement of the physical plant cooling system (the "2002 Project"); (2) paying all or a portion of the interest accruing on the 2002 Bonds during the construction and equipping of the 2002 Project; (3) funding a debt service reserve fund; and (4) paying costs of issuing the 2002 Bonds; and

WHEREAS, the Commission has determined that the public will best be served by the proposed financing and, by a resolution adopted on November 29, 2016, has approved the issuance of the Bonds, subject to compliance by the Corporation with the conditions set forth in such resolution, and the Corporation has complied with such conditions to the satisfaction of the Commission; and

WHEREAS, there have been presented to the officers and staff of the Commission draft copies of the following documents relating to the issuance of the Bonds:

(a) a Trust Agreement, dated as of December 1, 2016 (the "Trust Agreement"), between the Commission and Branch Banking and Trust Company, Wilson, North Carolina, as bond trustee (the "Bond Trustee");

(b) a Loan Agreement, dated as of December 1, 2016 (the "Loan Agreement"), between the Commission and the Corporation;

(c) a Supplemental Indenture for Obligation No. 7, dated as of December 1, 2016 ("Supplement No. 7"), between the Corporation and Branch Banking and Trust Company, as master trustee (in such capacity, the "Master Trustee") under the Master Trust Indenture, dated as of March 1, 2002 (as amended and supplemented, the "Master Indenture"), between the Corporation and the Master Trustee;

(d) Obligation No. 7, to be dated the date of delivery of the Bonds ("Obligation No. 7"), from the Corporation to the Commission;

(e) a Supplemental Indenture for Obligation No. 8, dated as of December 1, 2016 ("Supplement No. 8" and together with Supplement No. 7, the "Supplemental Indentures"), between the Corporation and the Master Trustee;

(f) Obligation No. 8, to be dated the date of delivery of the Bonds ("Obligation No. 8" and together with Obligation No. 7, the "Obligations"), from the Corporation to BB&T Community Holdings Co. (the "Purchaser");

(g) Fifth Amendment to Deed of Trust, dated as of December 1, 2016 (the "Fifth Amendment to Deed of Trust"), between the Corporation and the Master Trustee, amending and supplementing the Deed of Trust, dated as of March 1, 2002 (as amended, the "Deed of Trust"), from the Corporation to the deed of trust trustee named therein for the benefit of the Master Trustee; and

(h) a Continuing Covenants Agreement, dated as of December 1, 2016 (the "Covenant Agreement"), between the Corporation and the Purchaser; and

(i) a Contract of Purchase, to be dated as of the date of delivery of the Bonds (the "Purchase Agreement"), between the Local Government Commission of North Carolina (the "LGC") and the Purchaser, and approved by the Commission and the Corporation.

WHEREAS, the Commission has determined that the Corporation is financially responsible and capable of fulfilling its obligations under the Loan Agreement, the Master Indenture, the Supplemental Indentures, the Obligations, and the Deed of Trust; and

WHEREAS, the Commission has determined that adequate provision has been made for the payment of the principal of, redemption premium, if any, and interest on the Bonds;

NOW, THEREFORE, THE NORTH CAROLINA MEDICAL CARE COMMISSION DOES HEREBY RESOLVE, as follows:

Section 1. Capitalized words and terms used in this Series Resolution and not defined herein shall have the same meanings in this Series Resolution as such words and terms are given in the Master Indenture, the Trust Agreement and the Loan Agreement.

Section 2. Pursuant to the authority granted to it by the Act, the Commission hereby authorizes the issuance of North Carolina Medical Care Commission Retirement Facilities First Mortgage Revenue Refunding Bonds (Arbor Acres United Methodist Retirement Community), Series 2016 (the "Bonds"), in the aggregate principal amount of \$13,159,000. The Bonds shall mature on January 1, 2031 and shall bear interest at such rates determined in accordance with the Trust Agreement and shall be subject to the Sinking Fund Requirements set forth in Schedule 1 hereto. During the initial Bank-Bought Rate Period (which is to maturity), the Bonds will bear interest at 68% of one-month LIBOR plus 0.845%, subject to adjustment under certain circumstances.

The Bonds shall be issued as fully registered bonds in (i) denominations of \$100,000 and any integral multiple of \$5,000 in excess of \$100,000 during any Bank-Bought Rate Period or Weekly Rate Period and (ii) denominations of \$5,000 and any integral multiples thereof during any Long-Term Rate Period or Adjustable Rate Period. While bearing interest at the Weekly Rate, Long-Term Rate or Adjustable Rate, the Bonds shall be issuable in book-entry form as provided in the Trust Agreement. Interest on the Bonds shall be paid at the times and at the rates determined as specified in the Trust Agreement. Payments of principal of and interest on the Bonds shall be made to the registered owners of the Bonds in such manner as is set forth in the Trust Agreement.

Section 3. The Bonds shall be subject to (i) optional, extraordinary and mandatory redemption, (ii) during any Weekly Rate Period or Adjustable Rate Period, optional tender for purchase, and (iii) mandatory tender for purchase, all at the times, upon the terms and conditions, and at the prices set forth in the Trust Agreement.

Section 4. The proceeds of the Bonds shall be applied as provided in Section 2.10 of the Trust Agreement. The Commission hereby finds that the use of the proceeds of the Bonds for a loan to refund the Prior Bonds will accomplish the public purposes set forth in the Act.

Section 5. The forms, terms and provisions of the Trust Agreement and the Loan Agreement are hereby approved in all respects, and the Chairman or Vice Chairman (or any member of the Commission designated by the Chairman) and the Secretary or any Assistant Secretary of the Commission are hereby authorized and directed to execute and deliver the Trust Agreement and the Loan Agreement in substantially the forms presented at this meeting, together with such changes, modifications and deletions as they, with the advice of counsel, may deem necessary and appropriate, and such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Commission.

Section 6. The form, terms and provisions of the Purchase Agreement are hereby approved in all respects, and the Chairman, Vice Chairman, Secretary or any Assistant Secretary of the Commission (or any member of the Commission designated by the Chairman) is hereby authorized and directed to execute and deliver the Purchase Agreement in substantially the form presented at this meeting, together with such changes, modifications, insertions and deletions as they, with the advice of counsel, may deem necessary and appropriate, and such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Commission.

Section 7. The forms of the Bonds set forth in the Trust Agreement are hereby approved in all respects, and the Chairman or Vice Chairman (or any member of the Commission designated by the Chairman) and the Secretary or any Assistant Secretary of the Commission are hereby authorized and directed to execute, by manual or facsimile signature as provided in such forms of the Bonds, and to deliver to the Bond Trustee for authentication on behalf of the Commission, the Bonds in definitive form, which shall be in substantially the forms presented at this meeting, together with such changes, modifications and deletions as they, with the advice of counsel, may deem necessary, appropriate and consistent with the Trust Agreement, and such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Commission.

Section 8. The forms, terms and provisions of the Supplemental Indentures, the Obligations, the Covenant Agreement and the Fifth Amendment are hereby approved in substantially the forms presented to this meeting, together with such changes, modifications and deletions as the Chairman or Vice Chairman (or any member of the Commission designated by the Chairman) and the Secretary or any Assistant Secretary of the Commission, with the advice of counsel may deem necessary and appropriate; and the execution and delivery of the Trust Agreement as provided in Section 5 of this Series Resolution shall be conclusive evidence of the approval of the documents listed in this Section by the Commission.

Section 9. The Commission hereby approves the action of the Local Government Commission authorizing the private sale of the Bonds to the Purchaser in accordance with the Purchase Agreement at the purchase price of 100% of the principal amount thereof.

Section 10. Upon their execution in the form and manner set forth in the Trust Agreement, the Bonds shall be deposited with the Bond Trustee for authentication, and the Bond Trustee is hereby authorized and directed to authenticate the Bonds and, upon the satisfaction of the conditions set forth in Section 2.10 of the Trust Agreement, the Bond Trustee shall deliver the Bonds to the Purchaser against payment therefor.

Section 11. Branch Banking and Trust Company is hereby appointed as the initial Bond Trustee for the Bonds.

Section 12. If the Bonds are converted to the Weekly Rate, a Long-Term Rate or an Adjustable Rate, the Depository Trust Company, New York, New York is hereby appointed as the initial Securities Depository of the Bonds, with Cede & Co., a nominee thereof, being the initial Securities Depository Nominee and initial registered owner of the Bonds.

Section 13. S. Mark Payne, the Secretary of the Commission, Christopher B. Taylor, C.P.A., Assistant Secretary of the Commission, Steven C. Lewis, Chief of the Construction Section of the Division of Health Service Regulation, and Kathy C. Larrison and Crystal M. Watson-Abbott, Auditors of the Commission, are each hereby appointed a Commission Representative as that term is defined in the Loan Agreement, with full power to carry out the duties set forth therein.

Section 14. The Chairman, Vice Chairman, Secretary, and any Assistant Secretary of the Commission (or any member of the Commission designated by the Chairman) are each hereby authorized and directed (without limitation except as may be expressly set forth herein) to take such action and to execute and deliver any such documents, certificates, undertakings, agreements or other instruments as they, with the advice of counsel, may deem necessary or appropriate to effect the transactions contemplated by the Trust Agreement, the Loan Agreement, and the Purchase Agreement.

Section 15. This Series Resolution shall take effect immediately upon its passage.

Schedule 1

<u>Due January 1</u>	<u>Sinking Fund Requirement</u>	<u>Due January 1</u>	<u>Sinking Fund Requirement</u>
2018	\$794,000	2025	\$ 939,000
2019	817,000	2026	974,000
2020	831,000	2027	998,000
2021	865,000	2028	1,022,000
2022	878,000	2029	1,046,000
2023	900,000	2030	1,072,000
2024	924,000	2031	1,099,000

* Maturity

Professional Fees Comparison for
Arbor Acres United Methodist Retirement Community, Inc.*

<u>Professional</u>	<u>Fees Estimated In Preliminary Approval Resolution</u>	<u>Actual Fees</u>
Corporation counsel	\$27,500	27,500
Bond counsel	40,000	40,000
Purchaser counsel	20,000	20,000
Placement agent fee	20,000	20,000
Swap advisor fee	18,000	18,000
Commitment fee	15,000	0
Trustee and trustee counsel fees	10,000	9,000

* Arbor Acres is paying all costs of issuance with its own funds.

3. **Resolution of the North Carolina Medical Care Commission Approving and Authorizing Execution and Delivery of a Second Supplemental Trust Agreement Relating to the North Carolina Medical Care Commission Retirement Facilities First Mortgage Revenue Bonds (Arbor Acres United Methodist Retirement Community Project), Series 2010 (the "Bonds").**

Remarks were made by Alice Adams, Andrew Applegate and Dr. Fagg.

Executive Committee Action: Motion was made by Mr. Frock, seconded by Ms. Kugler, and unanimously approved with the recusals of Dr. Fagg, Mr. Hauser, and Dr. Rust.

WHEREAS, the North Carolina Medical Care Commission (the "Commission"), a commission of the Department of Health and Human Services of the State of North Carolina, agreed to issue up to \$28,875,000 aggregate principal amount of its Retirement Facilities First Mortgage Revenue Bonds (Arbor Acres United Methodist Retirement Community Project), Series 2010 (the "Bonds") in the form of a "draw-down loan" (as described in Section 1.150-1(c)(4)(i) of the Treasury Regulations); and

WHEREAS, on June 10, 2010, the Commission initially issued \$2,279,620 principal amount of the Bonds and, through the completion of the Project (as described in Exhibit A to the hereinafter defined Loan Agreement), issued \$28,473,682.10 aggregate principal amount of the Bonds; and

WHEREAS, the Bonds were issued pursuant to the terms of a Trust Agreement, dated as of June 1, 2010, as amended by a First Supplemental Trust Agreement dated as of December 20, 2013 (as amended, the "Trust Agreement"), between the Commission and Branch Banking and Trust

Company, as bond trustee (the "Bond Trustee"), and the Commission loaned the proceeds from the sale of the Bonds to Arbor Acres United Methodist Retirement Community, Inc. (the "Corporation") pursuant to a Loan Agreement, dated as of June 1, 2010 (the "Loan Agreement"), between the Commission and the Corporation; and

WHEREAS, the Bonds were purchased upon their initial issuance, and continue to be held, by Branch Banking and Trust Company (the "Bank Holder"); and

WHEREAS, since December 20, 2013, the Bonds have been bearing interest at a Bank-Bought Rate (as defined in the Trust Agreement) equal to 68% of One-Month LIBOR plus 1.30% per annum; and

WHEREAS, during the initial Bank-Bought Rate Period (as defined in the Trust Agreement), the Bonds are subject to mandatory tender upon notice by the Majority Bank Holders (as defined in the Trust Agreement) on or after the last day of the Bank-Bought Minimum Holding Period (as defined in the Trust Agreement), which is currently specified to be December 20, 2023; and

WHEREAS, the Bank Holder has proposed to reduce the Bank-Bought Rate to 68% of One-Month LIBOR plus 0.859% per annum and extend the Bank-Bought Minimum Holding Period to December 30, 2028; and

WHEREAS, the changes to the Bonds will be treated as a "reissuance" (i.e., a deemed current refunding) of the Bonds for federal income tax purposes; and

WHEREAS, Sections 11.02 and 11.08 of the Trust Agreement permits the Commission and the Bond Trustee, with the consent of the Bank Holder as the Holder (as defined in the Trust Agreement) of 100% of the Bonds, to enter into agreements supplemental to the Trust Agreement to make any change to the Trust Agreement;

WHEREAS, there has been presented to the officers and staff of the Commission a draft copy of a Second Supplemental Trust Agreement, to be dated the date of delivery thereof (the "Supplement") between the Commission and the Bond Trustee, that would amend the Trust Agreement to make the changes proposed by the Bank Holder; and

WHEREAS, the Corporation has requested that the Commission approve the Supplement and authorize its execution and delivery;

NOW, THEREFORE, THE NORTH CAROLINA MEDICAL CARE COMMISSION DOES HEREBY RESOLVE, as follows:

Section 1. The form, terms and provisions of the Supplement are hereby approved in all respects, and the Chairman, Vice Chairman, Secretary or Assistant Secretary of the Commission (or any member of the Commission designated by the Chairman) are hereby authorized and directed to execute and deliver the Supplement in substantially the form presented

at this meeting, together with such changes, modifications and deletions as they, with the advice of bond counsel, may deem necessary and appropriate, and such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Commission.

Section 2. The Chairman, Vice Chairman, Secretary or Assistant Secretary of the Commission (or any member of the Commission designated by the Chairman) or any duly authorized Commission Representative under the Trust Agreement are authorized and directed to execute and deliver a replacement Bond reflecting the terms of the Supplement to the Bank Holder and to take such other action and to execute and deliver any such other documents, certificates, undertakings, agreements or other instruments as they, with the advice of bond counsel, may deem necessary or appropriate to effect the changes made in the Supplement and the reissuance of the Bonds.

Section 3. This Resolution shall take effect immediately upon its passage.

4. **Series Resolution Authorizing the Issuance of \$35,000,000 North Carolina Medical Care Commission Health Care Facilities Refunding Revenue Bonds (Blue Ridge HealthCare), Series 2016A (the "Bonds")**

Remarks were made by Dr. Fagg, Robert Fritts, Charles Hauser, Mr. Crocker, Steve Cordell, Chris Nordberg, and Chris Taylor.

Executive Committee Action: Motion was made by Mr. Hauser, seconded by Mr. Frock, and unanimously approved.

WHEREAS, the North Carolina Medical Care Commission (the "Commission") is a commission of the Department of Health and Human Services of the State of North Carolina and is authorized under Chapter 131A of the General Statutes of North Carolina, as amended (the "Act"), to borrow money and to issue in evidence thereof bonds and notes for the purpose of providing funds to pay all or any part of the cost of financing or refinancing health care facilities and to refund bonds previously issued by the Commission; and

WHEREAS, Blue Ridge HealthCare System, Inc. (the "Corporation") is a private, nonprofit organization duly organized and validly existing under and by virtue of the laws of the State of North Carolina, which owns and operates acute care hospitals and other health care facilities located in Burke County, North Carolina; and

WHEREAS, the Corporation has made an application to the Commission for a loan for the purposes of providing funds, with other available funds, to refund the outstanding principal amount of the Medical Care Commission's Health Care Facilities Revenue Bonds (Blue Ridge HealthCare System Project) Series 2005A; and

WHEREAS, there have been presented to officers and staff of the Commission draft copies of the following documents relating to the issuance of the Bonds:

(a) the Contract of Purchase, dated December 14, 2016 (the "Purchase Agreement"), by and between Wells Fargo Municipal Capital Strategies, LLC (the "Initial Purchaser"), and the Local Government Commission of North Carolina (the "Local Government Commission"), and accepted by the Commission and approved by the Corporation;

(b) the Trust Agreement, dated as of December 1, 2016 (the "Trust Agreement"), by and between the Commission and U.S. Bank National Association, as bond trustee (the "Bond Trustee"), the provisions of which relate to the issuance of and security for the Bonds;

(c) the Loan Agreement, dated as of December 1, 2016 (the "Loan Agreement"), by and between the Commission and the Corporation, pursuant to which the Commission will lend the proceeds of the Bonds to the Corporation;

(d) Supplemental Indenture for Obligation No. 8, dated as of December 1, 2016 ("Supplement No. 8"), by and between the Corporation and the Master Trustee named therein;

(e) Obligation No. 8 of the Corporation, dated as of the date of delivery thereof, to be issued by the Corporation to the Commission;

(f) Supplemental Indenture for Obligation No. 9, dated as of December 1, 2016 ("Supplement No. 9"), by and between the Corporation and the Master Trustee named therein;

(g) Obligation No. 9 of the Corporation, dated as of the date of delivery thereof, to be issued by the Corporation to the Initial Purchaser; and

(h) the Continuing Covenant Agreement, dated December 1, 2016, between the Corporation and the Initial Purchaser (the "Continuing Covenant Agreement").

WHEREAS, the Commission has determined that the Corporation is financially responsible and capable of fulfilling its obligations under the foregoing documents, including the Loan Agreement, Obligation No. 8 and Supplement No. 8; and

WHEREAS, the Commission has determined that the public interest will be served by the proposed financing and that adequate provision has been made for the payment of the principal of, redemption premium, if any, and interest on the Bonds;

NOW, THEREFORE, THE EXECUTIVE COMMITTEE OF THE NORTH CAROLINA MEDICAL CARE COMMISSION DOES HEREBY RESOLVE, as follows:

Section 1. Capitalized words and terms used in this Series Resolution and not defined herein shall have the same meanings in this Series Resolution as such words and terms are given in the Trust Agreement or the Loan Agreement.

Section 2. Pursuant to the authority granted to it by the Act, the Commission hereby authorizes the issuance of its Health Care Facilities Refunding Revenue Bonds (Blue Ridge HealthCare), Series 2016A, in the aggregate principal amount of \$35,000,000 (the "Bonds"). The Bonds shall mature on January 1, 2033 and shall bear interest at such rates determined in accordance with the Trust Agreement and shall be subject to the Sinking Fund Requirements set forth in Schedule 1 hereto. For the initial Direct Purchase Period (which is to January 2, 2020) the Bonds will bear interest at a fixed rate not to exceed 3.00% per annum, subject to adjustment under certain circumstances.

Section 3. The Bonds shall be issued as fully registered bonds in (i) denominations of \$250,000 and multiples of \$5,000 in excess thereof during any Direct Purchase Period, (ii) denominations of \$100,000 and multiples of \$5,000 in excess of \$100,000 during any Short-Term Rate Period or any Medium-Term Rate Period that is not a Direct Purchase Period, and (iii) denominations of \$5,000 and integral multiples thereof during any Fixed Rate Period that is not a Direct Purchase Period. Subject to the limitations set forth in Section 2 hereof, interest on the Bonds shall be paid at the times and at the rates determined as specified in the Trust Agreement. Payments of principal of and interest on the Bonds shall be made to the registered owners of the Bonds in such manner as is set forth in the Trust Agreement.

Section 4. The Bonds shall be subject to (i) optional, extraordinary and mandatory redemption, (ii) during any Weekly Rate Period, optional tender for purchase, and (iii) mandatory tender for purchase, all at the times, upon the terms and conditions, and at the prices set forth in the Trust Agreement.

Section 5. The proceeds of the Bonds shall be applied as provided in Section 2.08 of the Trust Agreement. The Commission hereby finds that the use of the proceeds of the Bonds for a loan to the Corporation to be used in the manner set forth in the Loan Agreement and the Trust Agreement will accomplish the public purposes set forth in the Act.

Section 6. The forms, terms and provisions of the Trust Agreement and the Loan Agreement are hereby approved in all respects, and the Chairman, Vice Chairman or any other member of the Commission designated in writing by the Chairman and the Secretary or any Assistant Secretary of the Commission are hereby authorized and directed to execute and deliver the Trust Agreement and the Loan Agreement in substantially the forms presented to this meeting, together with such changes, modifications and deletions as any of such persons, with the advice of counsel, may deem necessary and appropriate, including but not limited to changes, modifications and deletions necessary to incorporate the final terms of the Bonds as shall be set forth in the Purchase Agreement; and such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Commission.

Section 7. The form, terms and provisions of the Purchase Agreement, including any and all certificates, exhibits and other documents attached or related thereto, are hereby approved in all respects, and the Chairman, Vice Chairman or any other member of the Commission designated in writing by the Chairman, is hereby authorized and directed to approve, by execution and delivery, the Purchase Agreement and such related certificates, exhibits and documents in substantially the form presented to this meeting together with such changes, modifications,

insertions and deletions as any of such persons, with the advice of counsel, may deem necessary and appropriate; and such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Commission.

Section 8. The form of the Bonds set forth in the Trust Agreement is hereby approved in all respects, and the Chairman, Vice Chairman or any other member of the Commission designated in writing by the Chairman and the Secretary or any Assistant Secretary of the Commission are hereby authorized and directed to execute, by manual or facsimile signature as provided in such form of the Bonds, and to deliver to the Bond Trustee for authentication on behalf of the Commission, the Bonds in definitive form, which shall be in substantially the form presented to this meeting together with such changes, modifications and deletions as any of such persons, with the advice of counsel, may deem necessary, appropriate and consistent with the Trust Agreement; and such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Commission.

Section 9. The forms, terms and provisions of Supplement No. 8, Obligation No. 8, Supplement No. 9, Obligation No. 9 and the Continuing Covenant Agreement are hereby approved in substantially the forms presented to this meeting, together with such changes, modifications and deletions as the Chairman, Vice Chairman or any other member of the Commission designated in writing by the Chairman, with the advice of counsel, may deem necessary and appropriate; and the execution and delivery of the Trust Agreement pursuant to Section 6 of this Series Resolution shall be conclusive evidence of the approval of Supplement No. 8, Obligation No. 8, Supplement No. 9, Obligation No. 9 and the Continuing Covenant Agreement by the Commission.

Section 10. The Commission hereby approves the action of the Local Government Commission in awarding the Bonds to the Initial Purchaser at the price of \$35,000,000 (which price is equal to the \$35,000,000 principal amount of the Bonds).

Section 11. Upon their execution in the form and manner set forth in the Trust Agreement, the Bonds shall be deposited with the Bond Trustee for authentication, and the Bond Trustee is hereby authorized and directed to authenticate the Bonds and, upon the due and valid execution of the Purchase Agreement, the Trust Agreement, the Loan Agreement, Supplement No. 8, Obligation No. 8, Supplement No. 9, Obligation No. 9 and the Continuing Covenant Agreement by the parties thereto, the Bond Trustee shall deliver the Bonds to the Initial Purchaser against payment therefor, subject to the provisions of Section 2.08 of the Trust Agreement.

Section 12. U.S. Bank National Association is hereby appointed as the initial Bond Trustee and the Paying Agent for the Bonds.

Section 13. If the Bonds are converted to a Rate not in a Direct Purchase Period, the Depository Trust Company, New York, New York is hereby appointed as the initial Securities Depository of the Bonds, with Cede & Co., as nominee thereof, being the initial Securities Depository Nominee and initial registered owner of the Bonds

Section 14. S. Mark Payne, Secretary of the Commission, Christopher B. Taylor, C.P.A., Assistant Secretary of the Commission and Kathy C. Larrison and Crystal Watson-Abbott,

Auditors of the Commission, are each hereby appointed a Commission Representative as that term is defined in the Trust Agreement and the Loan Agreement, with full power to carry out the duties set forth therein. The Assistant Secretary of the Commission is authorized to execute and deliver the Tax Certificate and Form 8038 in such form as he, with the advice of counsel, may deem necessary or appropriate to effect the transactions contemplated by the Trust Agreement, the Loan Agreement and the Purchase Agreement, and such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Commission.

Section 15. A comparison of the professional fees as set forth in the resolution adopted by the Commission granting preliminary approval of this financing with the current estimate of professional fees incurred in connection with the financing is set forth in Schedule 2 attached hereto and made a part hereof. Final professional fees paid from proceeds of the Bonds will not exceed the current estimates of professional fees set forth in Schedule 2.

Section 16. The Chairman, Vice Chairman or any other member of the Commission designated in writing by the Chairman and the Secretary and any Assistant Secretary of the Commission are authorized and directed (without limitation except as may be expressly set forth herein) to take such action and to execute and deliver any such documents, certificates, undertakings, agreements or other instruments as any of such persons, with the advice of counsel, may deem necessary or appropriate to effect the transactions contemplated by the Trust Agreement, the Loan Agreement and the Purchase Agreement.

Section 17. This Series Resolution shall take effect immediately upon its passage.

<u>Due January 1</u>	<u>Sinking Fund Requirement</u>
2018	\$2,015,000
2019	2,115,000
2020	2,220,000
2021	575,000
2027	3,425,000
2028	3,635,000
2029	3,810,000
2030	3,995,000
2031	4,195,000
2032	4,400,000
2033*	4,615,000

*Maturity


Professional Fees Comparison
Health Care Facilities Refunding Revenue Bonds
(Blue Ridge HealthCare) Series 2016A

<u>Professional</u>	<u>Fees Estimated In Preliminary Approval Resolution</u>	<u>Current Estimate of Fees</u>
Initial Purchaser's Counsel	\$35,000	\$35,000
Corporation Counsel	\$35,000	\$35,000
Bond Counsel	\$30,000	\$30,000
Accountants	\$20,000	\$20,000
Trustee	\$500	\$500

5. **Adjournment**

There being no further business, the meeting was adjourned at 11:38 a.m.

Respectfully submitted,


Christopher B. Taylor, C.P.A.
Assistant Secretary